



Amy G. Rabinowitz
Counsel

September 30, 2003

Mary L. Cottrell, Secretary
Department of Telecommunications and Energy
One South Station
Boston, MA 02110

Re: DTE 03-54

Dear Secretary Cottrell:

Following discussions with Hearing Officer William Stevens, the Company has further revised its compliance Second Feeder Service Tariff to explicitly state that (1) no other customer's service reliability will be materially comprised as a result of the Second Feeder Service, and (2) the Company will request confidential treatment of customer specific information provided to the Department pursuant to Mass. Gen. Laws c. 25 §5D. I am enclosing clean and marked to show changes of the tariff and corresponding service agreement.

Thank you very much for your time and attention to this matter.

Very truly yours,

Amy Rabinowitz

Amy G. Rabinowitz

cc: William Stevens
Joseph Rogers

MASSACHUSETTS ELECTRIC COMPANY
NANTUCKET ELECTRIC COMPANY

SECOND FEEDER SERVICE PROVISION

AVAILABILITY

Second Feeder Service is available upon request of any Customer served under the Company's Time-of-Use Rate G-3, provided that the Company agrees that such service can be feasibly and economically provided by the Company.

Second Feeder Service is the reservation of capacity on a second feeder in order to provide the capability of automatic transfer of the Customer's total load from a primary feeder to an alternate second feeder. This automatic transfer will result in typical switching times of 10 to 15 seconds.

The reservation of capacity may entail the construction of a second distribution line or the enhancement to an existing distribution line from a Company substation in order to serve the Customer's facility, including the installation of automatic switching gear that allows service from the main feeder serving the Customer to be switched to the second feeder in case of an outage of the main feeder.

Customers may take partial service from both feeders concurrently. In these instances, feeders will be designated primary service and second service.

The provision of Second Feeder Service is subject to the continued approval of the Department of Telecommunications and Energy.

TERMS AND CONDITIONS

If Second Feeder Service is requested by the Customer, the Customer is obligated to pay the costs of an engineering study, together with appropriate income taxes associated with the payment for such engineering study, prior to the commencement of the study, if one is necessary to determine whether service from a second feeder can be provided by the Company, regardless of whether such second feeder service is actually provided. If the construction or installation of new facilities is necessary to provide Second Feeder Service, the Customer's payment for the engineering study will be included with the anticipated revenue credit and both will be applied against the costs of such construction or installation, including the cost of the engineering study, subject to the Company's Construction Advance Policy, as defined in the Company's Terms and Conditions for Distribution Service, Policy 3.

The Company and the Customer must enter into a written agreement identifying: (i) the quantity of the requested Second Feeder Capacity Reservation, measured in kW, to be provided by the Company through its distribution system; (ii) the equipment to be provided by the Company; and (iii) the term of the agreement. The agreement will remain in effect while automatic switching capability is in operation. The Company reserves the right to remove or disable any automatic switching capability equipment upon termination of the agreement.

The Company's Construction Advance Policy shall apply to determine any advance contribution by the Customer, using an estimate of revenues based upon the Monthly Second Feeder Charge described below.

MASSACHUSETTS ELECTRIC COMPANY
NANTUCKET ELECTRIC COMPANY

SECOND FEEDER SERVICE PROVISION

The Company reserves the right to interrupt feeder service for maintenance activities or when necessary for operational or emergency reasons.

Where appropriate, the Customer will be required to maintain appropriate load balancing as determined by the Company.

The Company does not guarantee a higher level of service reliability through the availability of Second Feeder Service. However, no other customer's service reliability shall be materially compromised as a result of providing Second Feeder Service.

The Company shall notify the Department of Telecommunications and Energy when Customers enroll in Second Feeder Service. The Company shall also report annually information regarding all locations receiving Second Feeder Service under this provision. Pursuant to Mass. Gen. Laws c. 25, § 5D, the Company shall request that all information provided to the Department be treated confidentially.

Deleted: T

The Company's Terms and Conditions, where not inconsistent with any specific provisions hereof, are a part of this policy.

MONTHLY SECOND FEEDER CHARGE

The Monthly Second Feeder Charge shall be set at the rate per kW established for purposes of determining the Credit for High Voltage Delivery for customers taking delivery service at 115 kV applicable under the Company's Time-of-Use Rate G-3, multiplied by the Customer's Second Feeder Capacity Reservation as specified in the Agreement between the Company and the Customer. If the Customer's second feeder requires an additional transformer, there will be an additional charge set at the rate per kW stated under the Credit for High Voltage Delivery applicable to transformation costs under Time-of-Use Rate G-3.

Notwithstanding the foregoing, if the Customer's actual billing demand, as defined by the Company's Time-of-Use Rate G-3 and Terms and Conditions, exceeds the Second Feeder Capacity Reservation, such reservation will be re-set at the actual billing demand for that month and for subsequent months unless superseded by a higher actual billing demand. To the extent the construction or installation of new facilities is required in order to provide Second Feeder Service at the re-set Second Feeder Capacity Reservation level, such construction or installation also shall be subject to the Company's Construction Advance Policy.

Additionally, if a Customer's Second Feeder Capacity Reservation requirement decreases over time or due to changes in business requirements falls below the Customer's original Second Feeder Capacity Reservation, the Company will make adjustments to the Second Feeder Capacity Reservation applicable to the Customer. The Customer must provide the Company a written request to have the Second Feeder Capacity Reservation for each month lowered below the original contracted Second Feeder Capacity Reservation. The new Second Feeder Capacity Reservation will be based upon the actual billing demand of the latest month, beginning with the next month after such request, provided that the Customer has been receiving Second Feeder Service for a minimum period of five (5) years. For requests to decrease the

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NANTUCKET ELECTRIC COMPANY

SECOND FEEDER SERVICE PROVISION

Second Feeder Capacity Reservation prior to the end of the initial five year term of Second Feeder Service, the Company will charge the Customer the highest actual billing demand for eleven (11) additional months, or until the end of the initial five year term, whichever occurs first. The Company will review the equipment necessary to supply Second Feeder Service at the lower Second Feeder Capacity Reservation. The Customer agrees to reimburse the Company for any costs incurred to appropriately alter the Second Feeder switchgear and equipment to provide Second Feeder Service at the lower Second Feeder Capacity Reservation.

However, once the Customer's Second Feeder Capacity Reservation has been adjusted to the lower, requested level in accordance with the preceding paragraph, the Customer agrees to not exceed that capacity level. If the Customer's actual billing demand exceeds the Customer's new Second Feeder Capacity Reservation, the Customer agrees to pay the difference between the actual billing demand and the new Second Feeder Capacity Reservation multiplied by the Monthly Second Feeder Charge as defined above, for the lesser of 24 months or the period of time since the Customer's new Second Feeder Capacity Reservation has been in effect. This amount will be billed by and shall be payable to the Company in a lump sum. Additionally, such reservation will be re-set at the actual billing demand for that month and for subsequent months unless superseded by a higher actual billing demand, in accordance with the provisions above. To the extent the construction or installation of new facilities is required in order to provide Second Feeder Service at the re-set Second Feeder Capacity Reservation level, such construction or installation also shall be subject to the Company's Construction Advance Policy.

METERING

The Company's existing metering equipment for electric delivery service to the Customer will remain in place in order to continue to bill the Customer's actual usage. If necessary, the Company will install metering equipment for Second Feeder Service for the purpose of metering and billing actual deliveries on the second feeder.

TERM OF SERVICE

Second Feeder Service is provided under this provision for a period of at least five (5) years. Customers may request, in writing, to terminate Second Feeder Service in accordance with the Second Feeder Service Agreement.

Effective: July 1, 2003

**MASSACHUSETTS ELECTRIC COMPANY
NANTUCKET ELECTRIC COMPANY
SECOND FEEDER SERVICE AGREEMENT**

This Service Agreement ("Agreement") is entered into by and between _____
Electric Company (the "Company") and _____
("Customer") with respect to the Customer's facilities at _____,
Massachusetts. Account Number(s): _____

Customer requests and the Company agrees to supply Second Feeder Service at the address listed above pursuant to the Company's Second Feeder Service Provision and Terms and Conditions for Distribution Service ("Terms and Conditions"), as may be amended from time-to-time, both incorporated herein by reference.

The Company will install the necessary equipment to permit automatic switching to provide and Customer to receive electric distribution service from two supply circuits. The Company's Construction Advance Policy, contained in the Line Extension Policy for Commercial and Industrial Customers (Policy 3) of the Terms and Conditions, as filed with and approved by the Massachusetts Department of Telecommunications and Energy ("DTE"), shall apply to determine any advance contribution by Customer, using an estimate of revenues to be derived from the second feeder charge described below. Each circuit will be capable of supplying Customer with its total electric delivery needs.

MONTHLY SECOND FEEDER CAPACITY RESERVATION

The Company limits the second feeder capability under this Agreement to a requested capacity reservation of _____ kW ("Second Feeder Capacity Reservation"). If actual demands by Customer exceed the requested capacity reservation, the provisions of the Company's Second Feeder Service Provision will apply and will re-set the requested capacity reservation to the highest actual demand.

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The Monthly Second Feeder Charge shall be set at the rate per kW established for purposes of determining the Credit for High Voltage Delivery for customers taking delivery service at 115 kV under the Company's Time-of-Use Rate G-3, multiplied by Customer's Second Feeder Capacity Reservation identified above. If Customer's second feeder requires an additional transformer, there will be an additional charge set at the rate per kW stated under the Credit for High Voltage Delivery applicable to transformation costs under the Company's Time-of-Use Rate G-3.

CONSTRUCTION ADVANCE PAYMENT

As discussed above, the Company's Construction Advance Policy shall apply to determine any advance contribution by Customer, using an estimate of revenues based upon the Monthly Second Feeder Charge.

TOTAL CUSTOMER MONTHLY PAYMENT

The total Customer monthly payment under the Second Feeder Service Provision is the Monthly Second Feeder Charge, as defined on page 1 of this Agreement.

Customer agrees to pay the total Customer monthly payment each month in addition to the charges for its basic electric delivery service under the Time-of-Use Rate G-3, as metered by the Company's

metering device.

Notwithstanding the foregoing, the amount determined above is subject to change if the DTE approves a tariff with different pricing for this type of Second Feeder Service.

REPORTING TO DTE

The Company shall notify the DTE regarding the execution of the Agreement between the Company and Customer. The Company shall also report annually information governed under this Agreement, including the Customer's location and size, and the configuration of the one line and power flow diagram. Pursuant to Mass. Gen. Laws c. 25, § 5D, the Company shall request that all information provided pursuant to this provision to the DTE be treated confidentially.

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AGREEMENT TERM AND ASSIGNMENT

This Agreement becomes effective on the date of execution of the Agreement or the in-service date of Customer's interconnection, whichever occurs later.

This Agreement may be terminated by one party providing 60 days advance written notice to the other, provided that such notice of termination may not be given prior to the date five years from the effective date of the Agreement.

The Agreement between the Company and Customer may be assigned to a third party by Customer; provided that the third party agrees to assume all obligations of Customer under this Agreement and that the Company consents to such assignment.

COMPANY LIABILITY

This Agreement fully incorporates the Company Liability provision in the Company's Terms and Conditions.

In Witness Whereof, the Company and the Customer have caused this Service Agreement to be executed by their duly authorized representatives.

_____(Customer)

Massachusetts/Nantucket Electric Company

By: _____

By: _____

Title: _____

Title: _____

Date: _____

Date: _____

MASSACHUSETTS ELECTRIC COMPANY
NANTUCKET ELECTRIC COMPANY

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In Witness Whereof, the Company and the Customer have caused this Service Agreement to be executed by their duly authorized representatives.

_____(Customer)

Massachusetts/Nantucket Electric Company

By: _____

By: _____

Title: _____

Title: _____

Date: _____

Date: _____